

**SOUTH DAKOTA BOARD OF TECHNICAL EDUCATION
MINUTES OF THE OCTOBER 7, 2021, REGULAR MEETING**

Lake Area Technical College, Student Center, Level 4
1201 Arrow Avenue, Watertown, SD 57201

An audio recording of this meeting can be electronically accessed through the South Dakota Public Broadcasting's (SDPB) Stream Archive. The below timestamps are aligned with SDPB's audio stream, which can be accessed at: <https://sdpb.sd.gov/streamarchive/bote10072021.mp3>

1. Call to Order and Roll Call (0:07)

The South Dakota Board of Technical Education (hereinafter referred to as "BOTE") met on October 7, 2021, at Lake Area Technical College in Watertown, SD. Chairman Dana Dykhous called the meeting to order at approximately 10:00 am (CST) with the following members present: Rod Bowar, Doug Ekeren, Scott Knuppe, Ed Mallett, Terry Sabers, Brian Sandvig, Diana VanderWoude. One member was absent: Scott Peterson.

Also present:

Nick Wendell, Executive Director, BOTE

Scott DesLauriers, Deputy Director, BOTE

Michael Cartney, President, Lake Area Technical College

Diane Stiles, Vice President, Lake Area Technical College

Mark Wilson, President, Mitchell Technical College

Robert Griggs, President, Southeast Technical College

Dr. Ann Bolman, President, Western Dakota Technical College

Matt McCaulley, Board Counsel, Redstone Law Firm

Grace Beck, Policy Advisor, Redstone Law Firm

2. Adoption of the Agenda (2:20)

Motion made by Mallett and seconded by Sabers to adopt the proposed agenda, as presented in [Attachment #1](#).

Roll call vote. Voting yes: Bowar, Dykhous, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

3. Approval of Meeting Minutes: July 19, 2021 (3:08)

Motion made by Bowar and seconded by Sandvig to adopt the meeting minutes from the July 19, 2021, regular meeting as presented in [Attachment #2](#).

Roll call vote. Voting yes: Bowar, Dykhous, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

4. Declaration of Conflicts (3:53)

Per SDCL 3-23-10, state boards and commissions are required to publicly address the expectations regarding annual disclosures and waivers. No BOTE members submitted new declarations of conflicts.

5. Public Comment (4:15)

Dykhouse opened the floor to public comment, though none was present.

6. Executive Director Update, Nick Wendell (4:33)

Wendell presented the executive director update.

7. Deputy Director Update, Scott DesLauriers (6:05)

DesLauriers presented the deputy director update.

8. Board Policy Approval (7:30)

A. Academic Affairs

I. 303.4: Continuing Program Review

Dykhouse recognized Wendell to overview Board Policy 303.4.

Motion made by Sabers and seconded by Ekeren to approve Board Policy 303.4, as presented in [Attachment #3](#).

Dykhouse opened the floor for public comment, though none was present. No written comments were submitted to the BOTE in advance of the meeting.

Dykhouse requested questions and/or comments from Board members.

Roll call vote. Voting yes: Bowar, Dykhouse, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

9. Administrative Rule Public Hearing (10:15)

A. ARSD 24:59:05: Postsecondary Technical Institute Instructor Salary Support

The South Dakota Board of Technical Education convened at 10:00 am CST on October 7, 2021, at Lake Area Technical College, Student Center, Level 4, 1201 Arrow Avenue, Watertown, SD 57201.

The purpose of the meeting was to conduct a public hearing on the proposed rules of the South Dakota Department of Education – Board of Technical Education numbered §§ 24:59:05 (Postsecondary Technical Institute Instructor Salary Support), adopted under the authority of SDCL 13-39A-18.

Hearing Officer:

Dana J. Dykhouse, President, South Dakota Board of Technical Education

Members of the Board in Attendance:

Rod Bowar, Doug Ekeren, Scott Knuppe, Ed Mallett, Terry Sabers, Brian Sandvig, Diana VanderWoude.

Others in Attendance:

- Nick Wendell, Executive Director, BOTE
- Scott DesLauriers, Deputy Director, BOTE
- Michael Cartney, President, Lake Area Technical College
- Diane Stiles, Vice President, Lake Area Technical College
- Mark Wilson, President, Mitchell Technical College
- Robert Griggs, President, Southeast Technical College
- Dr. Ann Bolman, President, Western Dakota Technical College
- Matt McCaulley, Board Counsel, Redstone Law Firm
- Grace Beck, Policy Advisor, Redstone Law Firm

Introduction

Dykhouse provided introductory remarks.

Following his remarks, Dykhouse recognized Wendell and DesLauriers to provide a summary the public hearing process, overview the steps completed to date, introduce the proposed changes to §§ 24:59:05 ([Attachment #4](#)), and overview the Fiscal Impact Analysis ([Attachment #5](#)).

Written Testimony

Dykhouse overviewed the submitted written testimony, as presented in [Attachment #6](#).

Those providing proponent testimony included:

- Michael Cartney (Testimony: P. 1)
 - President, Lake Area Technical College
 - Proponent
 - Watertown, SD
 - September 30, 2021
 - §§ 24:59:05
 - Summary:
 - The proposed rule change to the distribution formula reflects an equitable distribution of funds correlating to the number of instructors needed and relevant industry salaries.
 - The proposed rule change is needed for the long-term sustainability and well-being of the technical college system.
 - No agency discussion in response.
 - No agency action in response.
- Robert Griggs (Testimony: P. 2)
 - President, Southeast Technical College
 - Proponent
 - Sioux Falls, SD
 - October 1, 2021
 - §§ 24:59:05
 - Summary:

- The proposed rule change will make several much-needed improvements to the current rules.
- The proposed rule change will address a long-standing equity in Instructor Salary Support funding that has penalized Southeast Technical College (STC) since the fund was first implemented.
- The proposed rule change will allow more state funding to be awarded to STC, eliminating a state funding disparity and will provide a more balanced and fair distribution across the four technical colleges.
- No agency discussion in response.
- No agency action in response.

Those providing opponent testimony included:

- Dr. Ann Bolman *on behalf of* Western Dakota Technical College Board of Trustees (Testimony: Pp. 3-7)
 - President, Western Dakota Technical College
 - Opponent
 - Rapid City, SD
 - August 19, 2021
 - §§ 24:59:05
 - Summary:
 - The proposed rule change will decrease the funding directed to Western Dakota Technical College (WDTC) leading to an increase in student fees and/or reduction in student support services.
 - The proposed rule change presents two main problems:
 - Funding based on student full-time equivalent (FTE) disadvantages technical colleges with more part-time students, which can amount to a third of student enrollment at WDTC.
 - Relying on the per-student allocation (PSA) funding formula to allocate Instructor Salary Support funds increases state funding inequity due to the PSA calculation formula disadvantaging WDTC. The PSA calculation counts students' enrollment based on "tuition collected;" thus, technical colleges enrolling students using federal funding programs, which require funds to be returned to the federal government if those students stop attending classes, lose out on being able to count these students within their FTE calculations.
 - The proposed rule change increases funding inequities to WDTC.
 - WDTC proposes the BOTE: Seek and allocate increased funding to close the market value gap for technical college faculty; Revise the PSA funding formula.
 - No agency discussion in response.
 - No agency action in response.

Oral Testimony

Dykhouse opened the floor to oral testimony.

Those providing proponent testimony included:

- Michael Cartney
 - President, Lake Area Technical College
 - Proponent
 - Watertown, SD
 - §§ 24:59:05

- Summary:
 - The proposed rule change to the distribution formula reflects an equitable distribution of funds correlating to the number of instructors needed and relevant industry salaries.
 - The proposed rule change is needed for the long-term sustainability and well-being of the technical college system.
- No agency discussion in response.
- No agency action in response.
- Mark Wilson
 - President, Mitchell Technical College
 - Proponent
 - Mitchell, SD
 - §§ 24:59:05
 - Summary:
 - The proposed rule change will bring needed improvements to the technical college system.
 - While the original HB 1182 was needed and made a major impact on the technical college system, the initial distribution of Instructor Salary Support funds was implemented to cover gaps in salaries and created an inequity to Southeast Technical College (STC).
 - The proposed rule change continues to prioritize technical instructor salaries and requires institutions to demonstrate need annually, maintaining the original intent and expectations of the Legislature.
 - The proposed Instructor Salary Support distribution model aligns with the overall funding distribution used for the per student allocation and will create consistency throughout the technical college system.
 - No agency discussion in response.
 - No agency action in response.
- Robert Griggs
 - President, Southeast Technical College
 - Proponent
 - Sioux Falls, SD
 - §§ 24:59:05
 - Summary:
 - The proposed rule change will make several much-needed improvements to the current rules.
 - The proposed rule change will address a long-standing equity in Instructor Salary Support funding that has penalized Southeast Technical College (STC) since the fund was first implemented.
 - The proposed rule change will allow more state funding to be awarded to STC, eliminating a state funding disparity and will provide a more balanced and fair distribution across the four technical colleges.
 - No agency discussion in response.
 - No agency action in response.

Those providing opponent testimony included:

- Dr. Ann Bolman *on behalf of* Western Dakota Technical College Board of Trustees
 - President, Western Dakota Technical College
 - Opponent
 - Rapid City, SD
 - §§ 24:59:05
 - Summary:

- The proposed rule change will decrease the funding directed to Western Dakota Technical College (WDTC) leading to an increase in student fees and/or reduction in student support services.
- The proposed rule change presents two main problems:
 - Funding based on student full-time equivalent (FTE) disadvantages technical colleges with more part-time students, which can amount to a third of student enrollment at WDTC.
 - Relying on the per-student allocation (PSA) funding formula to allocate Instructor Salary Support funds increases state funding inequity due to the PSA calculation formula disadvantaging WDTC. The PSA calculation counts students' enrollment based on "tuition collected;" thus, technical colleges enrolling students using federal funding programs, which require funds to be returned to the federal government if those students stop attending classes, lose out on being able to count these students within their FTE calculations.
- The proposed rule change increases funding inequities to WDTC.
- WDTC proposes the BOTE: Seek and allocate increased funding to close the market value gap for technical college faculty; Revise the PSA funding formula.
 - No agency discussion in response.
 - No agency action in response.

Summary of Changes to Proposed Rules on Account of the Public Hearing

No changes were made to the proposed rules.

Board Discussion

Following the conclusion of written and oral testimony, Dykhous opened the floor to BOTE member comments and questions.

Board Action

With no further comments or questions, Dykhous requested a motion to adopt the proposed rule change.

Motion made by Sabers seconded by Mallett to adopt the proposed rule change to §§ 24:59:05 (Postsecondary Technical Institute Instructor Salary Support), as presented in [Attachment #4](#).

Roll call vote. Voting yes: Bowar, Dykhous, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

Adjournment

The public hearing adjourned at approximately 11:00 am CST.

Respectfully submitted,



Scott L. DesLauriers
Deputy Director, South Dakota Board of Technical Education

10. Reports (59:00)

A. Fall 2021 Enrollment Report

Dykhouse recognized DesLauriers to overview the Fall 2021 Enrollment Report, as presented in [Attachment #7](#).

11. Academic Affairs (1:08:55)

A. Overview: Program Application Process

Dykhouse recognized Wendell and DesLauriers to overview the program application process, as presented in [Attachment #8](#).

B. Non-Substantive Program Applications

I. Informational: MTC: Associate of Applied Science Option (AASO) in Radiologic Technologies – Sonography

Dykhouse recognized Wilson to overview the non-substantive program application, as presented in [Attachment #9](#).

Overview of the non-substantive program application was informational only. No action was taken.

C. Substantive Program Applications

I. Action: MTC: Associate of Applied Science (AAS) in Physical Therapy Assistant

Dykhouse recognized Wilson to overview the substantive program application.

Motion made by Sabers and seconded by VanderWoude to approve Mitchell Technical College's substantive program application for an Associate of Applied Science (AAS) in Physical Therapy Assistant, as presented in [Attachment #10](#).

Roll call vote. Voting yes: Bowar, Dykhouse, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

12. Technical College Presidents' Reports (1:16:26)

Cartney (LATC), Wilson (MTC), Griggs (STC), and Bolman (WDTC) provided technical college presidents' updates as presented in [Attachment #11](#).

13. Executive Session: To discuss personnel matters, pending and prospective litigation, contractual matters, marketing or pricing strategies by a board of a business owned by the state when public discussion may be harmful to the competitive position of the business, and to consult with legal counsel. (1:57:03)

At approximately 12:00 pm CST, Dykhouse requested a motion to enter an executive session to discuss personnel pursuant to SDCL 1-25-2.

Motion made by Ekeren and seconded by Mallett to enter executive session.

Roll call vote. Voting yes: Bowar, Dykhouse, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

Motion made by Sabers and seconded by Bowar to adjourn executive session.

Roll call vote. Voting yes: Bowar, Dykhouse, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

The BOTE exited the executive session at approximately 12:25 pm CST.

14. Adjournment (1:59:35)

Motion made by Mallett and seconded by VanderWoude to adjourn the meeting.

Roll call vote. Voting yes: Bowar, Dykhouse, Ekeren, Knuppe, Mallett, Sabers, Sandvig, VanderWoude.

Motion carried.

The meeting adjourned at approximately 12:30 pm CST.

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Submitted on:
October 14, 2021

Approved on:
December 8, 2021